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Michigan's economic slump opens doors for interns

Cost-cutting firms offer more positions, but fewer are paid

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The Detroit News

More Michigan companies are offering internships as a cost-effective way to develop new talent and get the job done as they struggle to make payroll and are forced to cut staff amid the lingering recession, experts say.

The national unemployment rate is 10 percent; in Michigan it is still stuck at about 15 percent. The competition between laid-off workers and students and recent graduates makes it tougher to land jobs, experts said.

"Given the pressure, undoubtedly there are companies that have cut back and are using interns to supplement some gaps because of cuts in new hiring," said John Challenger, a workplace expert at Chicago-based Challenger, Gray and Christmas.

Internships are also a good way for students to "audition" for a job, Challenger said.

Many times, when hiring, companies will give first preference to former interns who know how the company functions.

Southfield-based Farbman Group, a commercial real estate company, hires five to 10 students as paid interns every year, said Andy Gutman, chief financial officer.

Employees just entering the work force are more cost-effective than experienced workers, Gutman said, and internships allow companies to see if workers are the right fit before they get hired.

"There is a cost to the (internship) program, but it's so nominal in the big picture," Gutman said.

'A win-win'

Interns are in demand, say college career services coordinators.

More companies are offering internships than hiring workers at career fairs at Michigan State University, said Kelley Bishop, executive director of career services.

And, knowing that paying jobs are hard to come by, many students are open to taking multiple internships rather than waiting for a paying gig, Bishop said.

The availability of internships hasn't subsided, said Jim Wojcik, an internship coordinator at Central Michigan University who also teaches journalism. If anything, there are more internships available because

companies are looking for new talent with good technological skills to replace older workers who will retire.

The only thing that has changed is that more internships are unpaid, he said. Three years ago, 30 percent to 40 percent of internships were paid, he said. Now, only about 20 percent of internships are paid.

"An internship is a win-win," he said. "It helps (businesses) as much as it helps students gain tremendous, valuable experience."

Waiting out the boomers

This year hiring will remain stagnant, an annual survey by Michigan State University's Collegiate Employment Research Institute found, and companies may not begin to hire in earnest until baby boomers retire in five to seven years. In the meantime, college graduates will find it tougher to find full-time employment, said Phil Gardner, director of the institute, which studies the college-to-work transition. Taking internships, whether or not they are paid, is imperative to help students get their foot in the door, he said.

There's a widespread belief among college students that there are no jobs in Michigan and many don't bother to look for work here after graduation, said Britany Affolter-Caine, director of Intern In Michigan, a program the Detroit Regional Chamber launched last year to match interns with companies offering internships.

Similarly, there's a perception among businesses here that students don't want to stay here so they recruit from other states.

But, since its April 2009 launch, InternInMichigan.com has registered 8,200 interns, 750 employers and posted or filled more than 400 internships.

The site, which is free to use, is only open to Michigan-based employers or employers with Michigan offices, but it's open nationwide to college students and experienced workers who are transitioning into a new careers.

JoAnna McCulloch, a 22-year-old health communications major from Royal Oak, just completed her internship as a media relations assistant at the American Cancer Society in Southfield. The Grand Valley State University graduate took the unpaid internship because she wanted to get experience in her field to make her more marketable.

"I don't know if it'll help me get a job faster," she said of her internship, "but it'll help me find a job that I'm happy with."

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Additional Facts

Internship advice

Finding an internship takes some time and effort. Michigan State University offers some tips on how to nab one:

- Start looking early (ideally, six months before you want the internship to take place)
 - Go to career fairs on campus and in the community
 - Network, network, network
 - Meet with a career adviser to help you develop a resume, practice interviewing and prepare a portfolio
- Source: *Michigan State University*

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